OCI International Holdings Limited
東 建 國 際 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 329)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2019

The board of directors (the "Board") of OCI International Holdings Limited (the "Company") hereby announces the unaudited condensed consolidated interim financial results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2019 (the "Period") together with the comparative figures for the corresponding period in 2018 as follows:

Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2019

	Note	For the six months ended 30 June	
		2019	2018
		HK$'000	*HK$'000*
		(unaudited)	(unaudited)
Revenue	4	**52,700**	69,787
Cost of goods sold		**(3,728)**	(18,516)
		48,972	51,271
Other income		**730**	384
Selling and distribution cost		**(68)**	(95)
General and administrative expenses		**(24,232)**	(39,768)
Loss allowance on debt investments		**(88,807)**	—
(Loss) profit from operations		**(63,405)**	11,792
Finance costs		**(12,837)**	(11,855)
Share of loss of joint venture		**—**	(128)
Loss before taxation	5	**(76,242)**	(191)
Income tax	6	**—**	(1)
Loss for the period		**(76,242)**	(192)
Other comprehensive expense			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(172)**	(72)
		(172)	(72)
Total comprehensive expense for the period		**(76,414)**	(264)

	Note	For the six months ended 30 June	
		2019	2018
		HK$'000	*HK$'000*
		(unaudited)	(unaudited)
Loss for the period attributable to:			
Equity shareholders of the Company		**(75,773)**	(192)
Non-controlling interests		**(469)**	—
		(76,242)	(192)
Total comprehensive expense for the period attributable to:			
Equity shareholders of the Company		**(75,945)**	(264)
Non-controlling interests		**(469)**	—
		(76,414)	(264)
Loss per share	8		
Basic and diluted		**HK(7.15) cents**	HK(0.02) cents

Unaudited Consolidated Statement of Financial Position

At 30 June 2019

	Note	**30 June 2019** *HK$'000* **(unaudited)**	31 December 2018 *HK$'000* (audited)
Non-current assets			
Property, plant and equipment		**1,292**	1,848
Debt investments at amortised cost	9	**325,412**	103,015
Financial assets at fair value through profit or loss	10	**202,569**	40,228
Interest in joint venture		**—**	1,415
Rental deposits		**—**	1,968
		529,273	148,474
Current assets			
Inventories		**14,652**	17,273
Trade receivables	11	**1,999**	1,635
Deposits, prepayments and other receivables		**40,585**	19,398
Debt investments at amortised cost	9	**185,645**	259,655
Financial assets at fair value through profit or loss	10	**168,334**	173,919
Cash and cash equivalents		**146,086**	185,058
		557,301	656,938
Current liabilities			
Contract liabilities		**32,253**	15,671
Accruals and other payables		**17,464**	30,747
Taxation payable		**543**	558
Obligations under repurchase agreements		**79,636**	78,918
Borrowings		**706,231**	352,657
		836,127	478,551
Net current (liabilities)/assets		**(278,826)**	178,387
NET ASSETS		**250,447**	326,861
CAPITAL AND RESERVES			
Share capital		**10,598**	10,598
Reserves		**240,497**	316,442
Total equity attributable to equity shareholders of the Company		**251,095**	327,040
Non-controlling interests		**(648)**	(179)
TOTAL EQUITY		**250,447**	326,861

Unaudited Consolidated Statement of Changes in Equity

For the six months ended 30 June 2019

	Attributable to equity shareholders of the Company						
	Share capital HK$'000	Share premium HK$'000	Translation reserve HK$'000	Retained earnings HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
Balance at 1 January 2018 (audited)	10,598	217,190	242	159,797	387,827	(139)	387,688
Loss for the period	—	—	—	(192)	(192)	—	(192)
Other comprehensive expense for the period	—	—	(72)	—	(72)	—	(72)
Total comprehensive expense for the period	—	—	(72)	(192)	(264)	—	(264)
Balance at 30 June 2018 (unaudited)	10,598	217,190	170	159,605	387,563	(139)	387,424
Balance at 1 January 2019 (audited)	**10,598**	**217,190**	**247**	**99,005**	**327,040**	**(179)**	**326,861**
Loss for the period	**—**	**—**	**—**	**(75,773)**	**(75,773)**	**(469)**	**(76,242)**
Other comprehensive expense for the period	**—**	**—**	**(172)**	**—**	**(172)**	**—**	**(172)**
Total comprehensive expense for the period	**—**	**—**	**(172)**	**(75,773)**	**(75,945)**	**(469)**	**(76,414)**
Balance at 30 June 2019 (unaudited)	**10,598**	**217,190**	**75**	**23,232**	**251,095**	**(648)**	**250,447**

Notes to the interim financial results

1. GENERAL INFORMATION

OCI International Holdings Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and Suite 811, Level 8, One Pacific Place, 88 Queensway, Hong Kong respectively.

The Company acts as an investment holding company. Its subsidiaries are principally engaged in securities trading and investments, provision of investment and financial advisory services, asset management and trading of wines.

2. BASIS OF PREPARATION

The interim financial results set out in this announcement do not constitute the Group's interim financial report for the six months ended 30 June 2019 but are extracted from the interim financial report.

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"), including compliance with Hong Kong Accounting Standards ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 30 August 2019.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2018 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2019 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report has been reviewed by the Company's audit committee.

3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a new HKFRS, HKFRS 16, *Leases*, and a number of amendments to HKFRSs that are first effective for the current accounting period of the Group.

Except for HKFRS 16, *Leases*, none of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

HKFRS 16, Leases

HKFRS 16 replaces HKAS 17, *Leases*, and the related interpretations, HK(IFRIC) 4, *Determining whether an arrangement contains a lease*, HK(SIC) 15, *Operating leases — incentives*, and HK(SIC) 27, *Evaluating the substance of transactions involving the legal form of a lease*. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less ("short-term leases") and leases of low value assets. The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

The Group has initially applied HKFRS 16 as from 1 January 2019. The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2019. Comparative information has not been restated and continues to be reported under HKAS 17.

Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below:

(i) New definition of a lease

The change in the definition of a lease mainly relates to the concept of control. HKFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group applies the new definition of a lease in HKFRS 16 only to contracts that were entered into or changed on or after 1 January 2019. For contracts entered into before 1 January 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases.

Accordingly, contracts that were previously assessed as leases under HKAS 17 continue to be accounted for as leases under HKFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

ii) Lessee accounting and transitional impact

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets. As far as the Group is concerned, these newly capitalised leases are primarily in relation to property, plant and equipment.

When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

To ease the transition to HKFRS 16, the Group applied the following recognition exemption and practical expedients at the date of initial application of HKFRS 16:

– The Group elected not to apply the requirements of HKFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of HKFRS 16, i.e. where the lease term ends on or before 31 December 2019.

The following table reconciles the operating lease commitments as at 31 December 2018 to the opening balance for lease liabilities recognised as at 1 January 2019:

	1 January 2019
	HK$'000
Operating lease commitments at 31 December 2018	5,611
Less: commitments relating to leases exempt from capitalisation:	
– short-term leases and other leases with remaining lease term ending on or before 31 December 2019	(5,611)
Total lease liabilities recognised at 1 January 2019	—

There are no significant impact on the adoption of HKFRS 16 of the Group's consolidated statement of financial position as at 1 January 2019.

4. REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are securities trading and investments, provision of investment and financial advisory services, asset management and trading of wines.

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	For the six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
– Trading of wines	**4,022**	20,799
– Investment advisory services	**142**	—
– Asset management	**16,508**	35,267
	20,672	56,066
Revenue from other sources		
Income from debt investments	**13,841**	25,107
Change in fair value of financial assets at fair value through profit or loss	**15,196**	(12,062)
Dividend income	**428**	676
Gain on disposal of financial assets at fair value through profit or loss	**2,563**	—
	32,028	13,721
Total	**52,700**	69,787

(b) Segment reporting

The Group's executive directors are the chief operation decision makers ("CODM") as they collectively make strategic decisions towards the Group's operations based on nature of business.

In a manner consistent with the way in which information is reported internally to the CODM for the purposes of resource allocation and performance assessment, the Group has presented the following reportable segments:

(a) securities trading and investments

(b) trading of wines

(c) Investment and financial advisory services

(d) asset management

Segment revenue and results

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the CODM for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2019 and 2018 is set out below.

For the period ended 30 June 2019 (unaudited)

	Securities trading and investments	Trading of wines	Investment and financial advisory services	Asset Management	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue from contracts with customers:					
– At a point in time	—	4,022	—	—	4,022
– Over time	—	—	142	16,508	16,650
	—	4,022	142	16,508	20,672
Revenue from other sources	32,028	—	—	—	32,028
Reportable segment revenue	32,028	4,022	142	16,508	52,700
Segment (loss) profit	(55,341)	(318)	(1,710)	10,847	(46,522)
Other income					269
Unallocated corporate and other expenses					(18,640)
Share of loss of joint venture					—
Finance costs					(11,349)
Loss before taxation					(76,242)
Income tax					—
Loss for the period					(76,242)

For the period ended 30 June 2018 (unaudited)

	Securities trading and investments	Trading of wines	Investment and financial advisory services	Asset Management	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue from contracts with customers:					
– At a point in time	—	20,799	—	35,000	55,799
– Over time	—	—	—	267	267
	—	20,799	—	35,267	56,066
Revenue from other sources	13,721	—	—	—	13,721
Reportable segment revenue	13,721	20,799	—	35,267	69,787
Segment (loss) profit	15,098	1,215	(1,240)	19,972	35,045
Other income					384
Unallocated corporate and other expenses					(23,918)
Share of loss of joint venture					(128)
Finance costs					(11,574)
Loss before taxation					(191)
Income tax					(1)
Loss for the period					(192)

Revenue are allocated to the reportable segments with reference to revenue and income generated by those segments.

Segment (loss) profit represents the loss from or profit earned by each segment without allocation of certain other income, certain finance costs, share of loss of joint venture and unallocated corporate and other expenses. This is the information reported to the CODM for the purposes of resources allocation and performance assessment.

5. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging (crediting):

	For the six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Staff costs (including directors' emoluments)	**10,549**	16,510
Commission fee relating to asset management business	**—**	14,400
Cost of inventories recognised as an expense	**3,728**	18,516
Loss allowance on debt investments	**88,807**	—
Depreciation of property, plant and equipment	**640**	543
Total minimum lease payments for lease previously classified as operating lease under HKAS 17	**—**	3,089
Interest income from bank balances (included in other income)	**(270)**	(384)

6. INCOME TAX

	For the six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Hong Kong Profits Tax	**—**	—
PRC Enterprise Income Tax	**—**	1
	—	1

(a) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in these two jurisdictions.

(b) The statutory income tax rate of the Company and its subsidiaries operated in Hong Kong is 16.5% (2018: 16.5%). The PRC Enterprise Income Tax rate is 25% (2018: 25%).

No Hong Kong Profits Tax for the continuing operations has been provided for in the unaudited condensed consolidated financial statements for the six months ended 30 June 2019 and 2018 as the Group has no estimated assessable profits for both periods.

7. DIVIDENDS

No interim dividend was declared, proposed or paid for both six months ended 30 June 2019 and 2018.

8. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

Basic:

	For the six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Loss attributable to equity shareholders of the Company	**(75,773)**	(192)
Weighted average number of ordinary shares in issue	**1,059,749,920**	1,059,749,920

Diluted:

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There were no dilutive potential ordinary shares during the six months ended 30 June 2019 and 2018. Therefore, the diluted loss per share are the same as basic loss per share.

9. DEBT INVESTMENTS AT AMORTISED COST

	30 June 2019 HK$'000 (unaudited)	31 December 2018 HK$'000 (audited)
Corporate debt securities	**618,652**	385,952
Receivable under a loan facility	**31,000**	31,000
	649,652	416,952
Less: Loss allowance	**(138,595)**	(54,282)
Total debt investments at amortised cost, net of loss allowance	**511,057**	362,670

	30 June 2019 HK$'000 (unaudited)	31 December 2018 HK$'000 (audited)
Analysed for reporting purpose, net of loss allowance		
– Non-current portion	**325,412**	103,015
– Current portion	**185,645**	259,655
	511,057	362,670

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2019	31 December 2018
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Non-current		
US Dollar Bond Linked Notes	**43,372**	40,228
Investment fund, unlisted	**159,197**	—
	202,569	40,228
Current		
US Dollar Bond Linked Notes	**147,894**	123,446
Total return swaps ("TRS")	**—**	27,955
Listed equity securities held for trading		
– In Hong Kong	**20,440**	22,518
	168,334	173,919
Total financial assets at fair value through profit or loss	**370,903**	214,147

11. TRADE RECEIVABLES

The Group allows an average credit period from 60 to 180 days to its trade customers. The following is an aged analysis of trade receivables net of allowance of doubtful debts presented based on invoice dates, which approximates the respective revenue recognition dates, at the end of the reporting period:

	30 June 2019	31 December 2018
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0 to 60 days	**1,032**	914
61 to 90 days	**—**	—
91 to 180 days	**396**	721
More than 180 days	**571**	—
	1,999	1,635

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group recorded total revenue of HK$52.70 million for the six months ended 30 June 2019 (the "Period") (six months ended 30 June 2018: HK$69.79 million). The decrease in turnover was mainly due to decrease in sales of wine trading. Consolidated net loss of approximately HK$76.24 million (six months ended 30 June 2018: loss of HK$0.19 million) was incurred by the Group for the Period. The consolidated losses from operations were mainly due to the impairment losses in relation to the fixed income investment in the senior secured guaranteed notes issued by Rundong Fortune Investment Limited amounting to HK$78.55 million and Sanpower Group Co., Ltd. amounting to HK$10.26 million (six months ended 30 June 2018: Nil).

Securities Trading and Investments

The Group has been actively building up its securities and investment operations during the Period. Dividend income, income from debt investments, gain on disposal of financial assets, and the change in fair value of the financial assets recognised under this segment amounted to approximately HK$32.03 million (six months ended 30 June 2018: HK$13.72 million). Loss attributed to this business segment amounted to approximately HK$ 55.34 million (six months ended 30 June 2018: profit HK$15.10 million) mainly due to the impairment losses on fixed income investment notes amounted to HK$88.81 million (six months ended 30 June 2018: Nil).

Fixed Income Products

The Group actively invested in the fixed income products during the Period. Other than the fixed income products brought forward from the year ended 31 December 2018, certain investment notes listed below were acquired by the Group during the Period.

The key factors considered by the Group when making the investment decisions included, but not limited to, (i) the credit rating of the issuers; (ii) the financial position and financial performance of the underlying assets; (iii) the returns offered by and the relevant costs incurred from the fixed income products; (iv) the terms of the fixed income products; (v) any guarantor or collaterals in association with the fixed income products; (vi) leverage which can be applied in the fixed income products; (vii) the economic environment; and (viii) government policies. The Company developed a fixed income portfolio in order to manage the interest rate risk.

One of the investment strategies of the Group is to obtain leverage on the fixed income products through entering into financial arrangements with financial institutions such as total return swap ("TRS") agreements and US Dollar bond linked notes. Through these financial arrangements, the Company can obtain the economic benefits including the interest and capital gain of an underlying assets without paying the entire amount to buy the underlying asset. The Company only needs to pay part of the market value of the underlying assets as upfront payment to the financial institution. In return, the financial institutions will pay the Company the return of the underlying asset net of the funding cost pre-agreed between the Company and the financial institutions.

The Group also enters into repurchase agreement ("Repo") with financial institutions to obtain leverage. A Repo is an agreement whereby the Company sells its debt securities to the financial institutions and agrees to repurchase it at a pre-agreed price in the future. The economic benefits including the interest and capital gain of its debt securities are retained by the seller, i.e. the Company. It is in substance a form of borrowing with its debt securities as collaterals, and the funding cost is embedded in the pre-agreed price to repurchase the security in the future.

As at 30 June 2019, the Group held interests in the following Ten debt securities which are recognised as debt investments at amortised cost in the consolidated balance sheet of the Group as at that date:

(i) US$15 million 10% senior secured guaranteed notes ("RD Note") issued by Rundong Fortune Investment Limited ("RD Note Issuer") maturing on 15 April 2019. The RD Note was secured by a charge over 78,000,000 shares of China Rundong Auto Group Limited (China Rundong Shares), a company listed on the Stock Exchange. Following the RD Note Issuer failure to repay the outstanding principal amount of the RD Note of US$15 million and the outstanding interest and handling fee receivable upon maturity on 15 April 2019, the Group has taken proactive steps towards options to maximise recovery of amounts due under the RD Note. Steps taken included, amongst others, the sale of 2,019,000 of the China Rundong Shares on the market for HK$3,648,440 and subsequently also contracted with LanHai International Trading Limited (覽海國際貿易有限公司) and Ms. Ding Yi (丁怡), both of them are third parties ("Potential Purchasers") which are independent of the Company and its connected person as defined in the Listing Rules to sell the remaining 75,981,000 China Rundong Shares ("Remaining Shares") for HK$80 million. LanHai International Trading Limited is a company incorporated in Hong Kong and is the wholly owned subsidiary of Lanhai Holding (Group) Company Limited (覽海控股(集團)有限公司), which is in turn 99% controlled by Mr. Mi Chunlei (密春雷). Nonetheless, neither of the Potential Purchasers paid the any consideration to the Group. The Group will commence legal proceedings against them. As a result, the Group made an impairment loss of HK$78.55 million being the difference between (a) the outstanding principal amount and interest and handling fee receivable of the RD Notes less the proceeds from the sale of 2,019,000 China Rundong Charged Shares, held by the Group and (b) the fair value of the Remaining Shares noted above assessed by an independent valuer.

On 16 August 2019, Writ of Summons to LanHai International Trading Limited and Ms. Ding Yi was filed to the High Court of Hong Kong Special Administrative Region.

As at 30 June 2019, the carrying amount of the RD Note was HK$38.63 million (31 December 2018: HK$117.50 million), representing 3.6% of the consolidated total assets of the Group (31 December 2018: 14.6%).

(ii) US$13 million 8% senior secured guaranteed notes ("SP Note") issued by Sanpower (Hong Kong) Company Limited ("SP Note Issuer") matured on 30 July 2019 with a right to extend the maturity date by further 12 months exercisable by the Company.

The Group issued in October 2018 an EOD Notice to the SP Note Issuer and demands for payment from the Sanpower Group Co., Ltd, (the "Corporate Guarantor") and Mr. Yuan Yafei (the "Personal Guarantor") as guarantors, in respect of all outstanding sums owing by the SP Note Issuer under the SP Note. The SP Note is secured also by charges over a total of 131,000,000 shares of C.banner International Holdings Limited ("C.banner Shares"), a Hong Kong listed company. Details please refer to our announcement dated 29 October 2018.

As at 30 June 2019, the carrying amount of the SP Note was HK$37.90 million (2018: HK$48.43 million), representing 3.5% of the total asset of the Group (31 December 2018: 6.0%). Accordingly, in relation to the SP Note, the Group made a provision for impairment loss as at 30 June 2019 of HK$63.66 million.

(iii) US$10 million (face value) of 5.75% bonds issued by Guangxi Financial Investment Group Co., Ltd. maturing on 23 January 2021 ("GX Note"), which are subject to a Repo arrangement between the Group and CEBI Financial Products Limited and the Repo was early terminated on 9 May 2019. On 23 May 2019, the GX Note was sold by the Group and become one of the underlying securities of the bond linked note issued by Guotai Junan Financial Products Limited.

(iv) US$1.74 million (face value) of 5.7% senior bonds issued by Shangrao City Construction Investment Development Group Company Limited maturing on 28 December 2020 ("SCC Note").

As at 30 June 2019, the carrying amount of the SCC Note was HK$13.12 million (31 December 2018: Nil), representing 1.2% of the total asset of the Group (31 December 2018: Nil).

(v) US$0.40 million (face value) of 5.7% guaranteed bonds issued by Shangrao Investment Holding Group Co., Limited maturing on 14 February 2021 ("SIH Note").

As at 30 June 2019, the carrying amount of the SIH Note was HK$3.05 million (31 December 2018: Nil), representing 0.3% of the total asset of the Group (31 December 2018: Nil).

(vi) US$10 million (face value) of 7.5% bonds issued by Jiaozuo Investment Group Co., Ltd. maturing on 23 February 2020 ("JZ Note").

As at 30 June 2019, the carrying amount of the JZ Note was HK$78.15 million (31 December 2018: Nil), representing 7.2% of the total asset of the Group (31 December 2018: Nil).

(vii) US$15 million (face value) of 6.8% guaranteed notes issued by Huaxin Pharmaceutical (Hong Kong) Co., Limited maturing on 15 March 2021 ("HX Note"), of which US$12.2 million are subject to a Repo arrangement between the Group and Haitong International Financial Solutions Limited ("HIFSL").

As at 30 June 2019, the carrying amount of the HX Note was HK$113.51 million (31 December 2018: Nil), representing 10.4% of the total asset of the Group (31 December 2018: Nil).

(viii) US$4.97 million (face value) of 7.5% senior bonds issued by Chengdu Economic & Technological Development Zone State-owned Assets Investment Co., Ltd. maturing on 12 February 2022 ("CD Note"), of which US$4.5 million are subject to a Repo arrangement between the Group and HIFSL.

As at 30 June 2019, the carrying amount of the CD Note was HK$38.89 million (31 December 2018: Nil), representing 3.6% of the total asset of the Group (31 December 2018: Nil).

(ix) US$2 million (face value) of 8.625% senior notes issued by Yuzhou Properties Company Limited maturing on 23 January 2022 ("YZ Note").

As at 30 June 2019, the carrying amount of the YZ Note was HK$16.23 million (31 December 2018: Nil), representing 1.5% of the total asset of the Group (31 December 2018: Nil).

(x) US$18 million 10.5% notes issued by SOL OMNIBUS SPC ("SOL Note") maturing on 17 June 2021. The SOL Note was secured by a charge over 5,400,000 shares of JS Global Lifestyle Company Limited.

As at 30 June 2019, the carrying amount of the SOL Note was HK$140.62 million (31 December 2018: Nil), representing 12.9% of the consolidated total assets of the Group (31 December 2018: Nil).

Brief information on the US dollar bond linked notes held by the Group as at 30 June 2019 are as follow:

Date of announcement	**3 July 2018**
Brief nature of the financial instrument in which the Group invested	A guaranteed note ("LP Note") issued by the issuer named below, the amount payable upon redemption of which is linked to the reference bond described below.
Amount invested	US$7.5 million
Fair value	US$8.79 million, equivalent to HK$68.70 million, representing 6.3% of the total assets of the Group as at 30 June 2019 (31 December 2018: US$7.91 million, equivalent to HK$61.97 million, representing 7.7% of the total assets of the Group).
Note Issuer	CSI Financial Products Limited ("CSI")
Guarantor	CITIC Securities International Company Limited
Coupon	Zero
Reference bond	US$15 million in the principal amount of the 6.875% guaranteed senior notes issued by Logan Property Holdings Company Limited (3380.HK) due on 24 April 2021. As at 3 July 2018, the market value of the reference bond was US$14.59 million. The principal activities of Logan Property Holdings Company Limited (together with is its subsidiaries) are property development, property investment and construction in the PRC.

Date of announcement	3 July 2018
Amount payable by the note issuer on redemption	On redemption upon maturity being 5 July 2019 or earlier due to an early termination event (which includes drop in market value, acceleration or default, adverse rating changes of the reference bond) the amount payable by the issuer is to be calculated by a pre-agreed formula that can be summarised as follows: a) The aggregate of market value of the reference bond plus interest and principal (net of tax) received by CSI minus the aggregate of US$7.39 million (as hypothetical loan notional amount) plus hypothetical interest thereon at the rate of 4.86% per annum; less b) In case of early redemption, cost and expenses incurred by CSI and/or affiliates in connection with the redemption of the LP Note. In the worst case scenario, for example, if market value of the reference bond drops to zero and/or CSI is in default in payment of interest and principal amount to the Company, the redemption amount can be zero in which case the Company will not recover its investment. The LP Note was redeemed by the Company prematurely on 2 July 2019 and please refer to the announcement of the Company dated 2 July 2019 for more details.

Date of announcement	3 July 2018
Benefits	Taking into account the terms of the LP Note, including the potential return upon redemption based on returns from the reference bond (in the absence of default or a significant reduction of market value of the reference bond) and the amount of investment made in the LP Note, which is less than the face value of the reference bond, and the credit rating of the reference bond issuer and the creditability of the note issuer and guarantor (whose A shares are listed on the Shanghai Stock Exchange and H shares are listed on the Hong Kong Stock Exchange), the Company believes that the investment in the note may generate investment income (based on the Group's income recognition policy in accordance with HKFRS) and a reasonable return to the Group through the amount receivable on redemption of the LP Note.

Date of announcement	**12 October 2018 and amended on 18 October 2018**
Brief nature of the financial instrument in which the Group invested	A guaranteed note (“KWG Note”) issued by the issuer named below, the amount payable upon redemption of which is linked to the reference bond described below.
Amount invested	US$5.03 million
Fair value	US$5.55 million, equivalent to HK$43.37 million, representing 4.0% of the total assets of the Group as at 30 June 2019 (31 December 2018: US$5.14 million, equivalent to HK$40.23 million, representing 5.0% of the total assets of the Group).
Note Issuer	Haitong International Products & Solutions Limited (“HIPSL”)
Guarantor	Haitong International Securities Group Limited
Coupon	Zero
Reference bond	US$10 million in the principal amount of the 7.875% senior notes issued by KWG Group Holdings Limited (1813.HK) due on 9 August 2021. As at 12 October 2018, the market value of the reference bond was US$10.05 million. The principal activities of KWG Group Holdings Limited is investment holding and its subsidiaries are principally engaged in property development, property investment and construction in the PRC.

Date of announcement	12 October 2018 and amended on 18 October 2018
Amount payable by the note issuer on redemption	On redemption upon maturity being 16 August 2021 or earlier due to an early termination event (which includes drop in market value, acceleration or default, adverse rating changes of the reference bond) the amount payable by the issuer is to be calculated by a pre-agreed formula that can be summarised as follows: a) The aggregate of market value of the reference bond plus interest and principal (net of tax) received by HIPSL minus the aggregate of US$5.03 million (as hypothetical loan notional amount) plus hypothetical interest thereon at the rate of USD 3-month LIBOR-BBA (floored at zero) plus 2.7% per annum; less b) In case of early redemption, cost and expenses incurred by HIPSL and/or affiliates in connection with the redemption of the KWG Note. In the worst case scenario, for example, if market value of the reference bond drops to zero and/or HIPSL is in default in payment of interest and principal amount to the Company, the redemption amount can be zero in which case the Company will not recover its investment.

Date of announcement	12 October 2018 and amended on 18 October 2018
Benefits	Taking into account the terms of the KWG Note, including the potential return upon redemption based on returns from the reference bond (in the absence of default or a significant reduction of market value of the reference bond) and the amount of investment made in the KWG Note, which is less than the face value of the reference bond (whose shares is listed on the Hong Kong Stock Exchange) and the ultimate holding company of the note guarantor (whose shares are listed on the Shanghai Stock Exchange (600837.SH) and H shares are listed on the Hong Kong Stock Exchange (6837.HK)), the Company believes that the investment in the note may generate investment income (based on the Group's income recognition policy in accordance with HKFRS) and a reasonable return to the Group through the amount receivable on redemption of the KWG Note.

Date of announcement	23 May 2019
Brief nature of the financial instrument in which the Group invested	A guaranteed note ("GJ Note 1") issued by the issuer named below, the amount payable upon redemption of which is linked to the US Dollar reference bond described below.
Amount invested	US$9.93 million
Fair value	US$10.14 million, equivalent to HK$79.20 million, representing 7.3% of the total assets of the Group as at 30 June 2019 (31 December 2018: Nil)
Note Issuer	Guotai Junan Financial Products Limited ("GJ")
Guarantor	Guotai Junan International Holdings Limited
Coupon	Zero
Reference bond	1. US$10 million of the 6.5% guaranteed senior notes issued by Metro Global Limited due on 20 May 2022. Metro Global Limited is a special purpose vehicle incorporated for bond issues. Its obligations under the New Metro Notes are guaranteed by Seazen Holdings Co., Ltd.

Date of announcement	23 May 2019
	2. US$10 million of the 5.75% bonds issued by Guangxi Financial Investment Group Co., Ltd. due on 23 January 2021. Guangxi Financial Investment Group Co., Ltd through its subsidiaries is principally engaged in the provision of micro and small loans, credit guarantees, property insurance, financial leasing and other businesses, including asset management, internet finance, fund management, venture investment and urban construction.
Amount payable by the note issuer on redemption	On redemption upon maturity being 24 May 2020 or earlier due to an early termination event (which includes drop in market value, and default of the reference bond) the amount payable by GJ is to be calculated by a pre-agreed formula that can be summarised as follows: a) The aggregate of market value of the reference bonds realised by GJ or its affiliate; less aggregate financing amount together with the finance costs for the relevant period; plus aggregate cash distribution unpaid to the noteholder.

Date of announcement	23 May 2019
	b) In case of early redemption, cost and expenses incurred by GJ and/or affiliates in connection with the redemption of the GJ Note 1. In the worst case scenario, for example, when market value of the reference bond drops to zero and/or GJ is in default in payment of interest and principal amount to the Company, the redemption amount can be zero, in which case the Company will not recover its investment. The GJ Note 1 was redeemed by the Company prematurely on 2 July 2019 and please refer to the announcement of the Company dated 2 July 2019 for more details.
Benefits	Taking into account the terms of the GJ Note 1, including the potential return upon redemption based on returns from the reference bond (in the absence of default or a significant reduction of market value of the reference bond) and the amount of investment made in the GJ Note 1, which is less than the face value of the reference bond, and the credit rating of the reference bond issuer and the creditability of GJ and the guarantor (whose A shares are listed on the Shanghai Stock Exchange and H shares are listed on the Hong Kong Stock Exchange), the Company believes that the investment in the GJ Note 1 may generate investment income (based on the Group's income recognition policy in accordance with HKFRS) and a reasonable return to the Group through the amount receivable on redemption of the GJ Note 1.

Brief information on the US dollar bond linked notes acquired subsequent to the Period is as follows:

Date of announcement	**2 July 2019**
Brief nature of the financial instrument in which the Group invested	A guaranteed note ("GJ Note 2") issued by the issuer named below, the amount payable upon redemption of which is linked to the US Dollar reference bond described below.
Amount invested	US$12.18 million
Note Issuer	GJ
Guarantor	Guotai Junan International Holdings Limited
Coupon	Zero
Reference bond	1. US$10 million of the 6.5% guaranteed senior notes issued by Metro Global Limited due on 20 May 2022. As at 2 July 2019, the market value of this reference bond was US$10,108,889. 2. US$10 million of the 5.75% bonds issued by Guangxi Financial Investment Group Co., Ltd. due on 23 January 2021. As at 2 July 2019, the market value of this reference bond was US$10,018,056. 3. US$10 million in principal amount of the 6.875% guaranteed notes issued by Logan Property Holdings Company Limited due on 24 April 2021. As at 2 July 2019, the market value of the reference bond was US$10,321,771.

Date of announcement	2 July 2019
	Logan Property Holdings Company Limited is a company listed on the Stock Exchange (stock code: 3380) and is an investment holding company principally engaged in property development, property investment and construction in the PRC.
Amount payable by the note issuer on redemption	On redemption upon maturity being 24 May 2020 or earlier due to an early termination event (which includes drop in market value, and default of the reference bond) the amount payable by GJ is to be calculated by a pre-agreed formula that can be summarised as follows: a) The aggregate of market value of the reference bonds realised by GJ or its affiliate; less aggregate financing amount together with the finance costs for the relevant period; plus aggregate cash distribution unpaid to the noteholder. b) In case of early redemption, cost and expenses incurred by GJ and/or affiliates in connection with the redemption of the GJ Note 2. In the worst case scenario, for example, when market value of the reference bond drops to zero and/or GJ is in default in payment of interest and principal amount to the Company, the redemption amount can be zero, in which case the Company will not recover its investment.

Date of announcement	2 July 2019
Benefits	Taking into account the terms of the GJ Note 2, including the potential return upon redemption based on returns from the reference bond (in the absence of default or a significant reduction of market value of the reference bond) and the amount of investment made in the GJ Note 2, which is less than the face value of the reference bond, and the credit rating of the reference bond issuer and the creditability of GJ and the guarantor (whose A shares are listed on the Shanghai Stock Exchange and H shares are listed on the Hong Kong Stock Exchange), the Company believes that the investment in the GJ Note 2 may generate investment income (based on the Group's income recognition policy in accordance with HKFRS) and a reasonable return to the Group through the amount receivable on redemption of the GJ Note 2.

Equity Securities

The Group maintained the listed securities investment portfolio brought forward from previous year to capture investment appreciation during the Period. Changes in fair value for these listed equity investment amounting to an unrealised loss of HK$2.08 million as at 30 June 2019 (six months ended 30 June 2018: unrealised loss of HK$5.00 million). Dividend income from listed equity investment amounted to approximately HK$0.43 million for the Period (six months ended 30 June 2018: HK$0.68 million). As at 30 June 2019, the portfolio comprised of three companies with large capitalisation including Sinopharm Group Co., Limited (stock code: 1099), China Resources Pharmaceutical Group Limited (stock code: 3320) and Huatai Securities Co., Ltd. (stock code: 6886). The market value of the portfolio amounts to approximately HK$20.44 million as at 30 June 2019.

Fund Investment

On 23 May 2019, the Company entered into the subscription agreement with the ICBC AMG China Fund I SPC, in respect of its segregated portfolio, ICBC US Dollar Debt Fund SP (the "Sub-Fund"), pursuant to which the Company subscribed for the Class B Shares issued by the Sub-Fund in an amount of US$20 million (equivalent to approximately HK$157 million). The fund size was US$60 million including both Class A Shares of US$40 million and Class B Shares of US$20 million.

Both Class A and Class B Shares are entitled to a fixed return accruing on each anniversary of 3 June 2019 ("Distribution Date") at 4% per annum on its subscription amount. Provided that the portfolio has sufficient distributable assets after payment of the Class A fixed return and deduction of all fees, expenses and other liabilities of the Sub-Fund (including but not limited to management fees), each Class B Share carries the right to a fixed return accruing on each distribution date calculated at the rate of 4% per annum on the subscription amount. On redemption, Class A Shares will not be entitled to any amount in excess of the subscription price and any accrued and unpaid fixed return. Class B Shares are entitled to the remaining portion of the NAV of the Sub-Fund. The Sub-Fund will generate income through investing in US dollar-denominated bonds (including, but not limited to, investment-grade bonds, high-yield bonds, and convertible bonds), notes and other fixed income products and money market instruments (each a "Financial Instrument") issued by companies based in or with their headquarters in the PRC (each an "Issuer"). Target Issuers are stated to include qualified real estate bond issuers; financial institutions with high incomes and other corporate bonds and local government financing vehicles.

In accordance with the terms of the transaction documents, (i) the management fee is calculated at the rate of 0.30% per annum on the net asset value of the Sub-Fund; (ii) the set up fees, including costs incurred in connection with the preparation and execution of the agreements relating to the Sub-Fund and all initial legal and printing costs, are estimated to be US$50,000; and (iii) the fees payable to the administrator, the custodian and the registrar with respect to their provision of services to the Sub-Fund are to be agreed by the relevant service provider with the manager of the Sub-Fund from time to time.

As at 30 June 2019, the fair value of the investment shares was HK$159.20 million (31 December 2018: Nil), representing 14.7% of the total asset of the Group (31 December 2018: Nil).

Wine Trading

Sales performance of wine trading was affected substantially by the downturn of market growth during the Period with a turnover of HK$4.02 million (six months ended 30 June 2018: HK$20.80 million). Loss attributable to this business segment amounted to HK$0.32 million for the Period (six months ended 30 June 2018: profit HK$1.22 million) with the profit margin maintained. The Group will continue to focus on developing its premium wines trading operations, both in terms of expanding its distribution channels and accessing the mass market in the Greater China area. To this end, the Group is recruiting new talent to strengthen its sales team.

The Group has constructed a sale web page (https://www.rt-wines.com) in April 2019 for putting our products for sale on web and joined membership in March 2019 with wine sale platform like Wine-Searcher (https://www.wine-searcher.com) in order to broaden our sale channel in local market.

Asset Management Services

With the registration of the Group's asset management subsidiary for type 4 (advising on securities) and type 9 (asset management) regulated activities by the Securities and Future Commission of Hong Kong (the "SFC") on 9 May 2018, the Group commenced its asset management business through providing a range of asset management services and investment advisory services to qualified corporate, individual and financial institutional professional investors.

As at 30 June 2019, the asset management subsidiary is engaged in management of 3 funds with fund size varies from US$20 million to approximately US$637 million. Asset management fee income of HK$16.51 million was recorded for the Period (six months ended 30 June 2018: HK$35.27 million).

Investment and Financial Advisory Services

Investment advisory services fee amounting to HK$0.14 million was recorded as income for the Group for the Period (six months ended 30 June 2018: Nil). Nil financial advisory services fee income was recorded for the Group for the Period (six months ended 30 June 2018: Nil).

LIQUIDITY, FINANCIAL ANALYSIS AND CAPITAL STRUCTURE

As at 30 June 2019, the Group had two fixed-rate, unsecured revolving facilities of US$100 million each. One from Cheer Hope Holdings Limited, one of our substantial shareholders, and the other one from Orient Finance Holdings (Hong Kong) Limited, a subsidiary of another substantial shareholder of the Company. The outstanding principal amount of the loans as at 30 June 2019 amounted to US$12 million and US$40 million respectively. In addition, the Group was granted an unsecured revolving facility of HK$500 million from a local bank, in respect of which HK$300 million in principal amount was outstanding as at 30 June 2019.

The gearing ratio of the Group as at 30 June 2019 is 313.8% (31 December 2018: 132.0%), calculated based on total borrowings of HK$785.87 million (31 December 2018: HK$431.58 million) divided by shareholders' equity of HK$250.45 million (31 December 2018: HK$326.86 million) as at that date.

The Group's bank balances and cash as at 30 June 2019 amounted to HK$146.09 million (31 December 2018: HK$185.06 million). Its total assets as at the same date were HK$1,086.57 million (31 December 2018: HK$805.41 million).

The Group recorded net current liabilities of HK$278.83 million (31 December 2018: net current asset of HK$178.39 million), inventories decreased from HK$17.27 million as at 31 December 2018 to HK$14.65 million as at 30 June 2019. The current ratio of 0.7 times (31 December 2018: 1.4 times) calculated based on the current assets of HK$557.30 million (31 December 2018: HK$656.94 million) over the current liabilities of HK$836.13 million (31 December 2018: HK$478.55 million).

As at 30 June 2019 and 31 December 2018, the issued capital of the Company was HK$10.60 million.

DETAILS OF MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

The Group did not carry out any material acquisition nor disposal of any subsidiary during the Period.

PROSPECTS FOR THE YEAR 2019 AND DEVELOPMENT PLAN

Economic slowdown is expected globally as undesirable issues such as, US and China cannot reach any agreement over trade conflicts, US had extended trade dispute with other countries globally, UK unable to execute the Brexit agreement with EU as scheduled, changes in governing parties for EU countries, US enhance sanction on Iran over nuclear treaty and sanction on Venezuela affected oil price, etc., prevail in 2019 so far. Interest rate cut and accommodative monetary policy measures are expected from most of the central banks of developed countries.

The Group will be cautious on business development for the remaining months of 2019 and 2020 in view of the prevailing uncertainties that are affecting the growth of the world economy. The Group will remain focused on investing in the Greater China area which will continue to grow as China will continue to monitor the economic growth of the country through monetary and fiscal relief measures. Apart from focusing on investing in fixed income financial products issued by large state-owned enterprises with municipal background or companies operating in the various sectors, the Group will allocate more resources towards the development of its asset management business and wine trading business. More investment funds will be structured in the coming future. The Group will explore the possibilities of conducting other licensed business, which have underlying synergies with the existing asset management and securities investment business.

FOREIGN EXCHANGE RISKS

The Group's operations are conducted (and its borrowings are denominated) in Hong Kong dollars and US dollars while wine trading billings are mainly settled in Euro, Sterling Pound, and Hong Kong dollars. However, the operations of our PRC subsidiaries are conducted in RMB. Therefore, the Group is exposed to fluctuations in foreign exchange rate to a certain extent. Currently, the Group has no formal hedging policies in place. The Group has not entered into any foreign currency exchange contracts or derivatives to hedge against the Group's currency risks. However, the Group will continue to closely monitor and manage its exposure to foreign exchange and will consider engaging hedging instruments as and when appropriate.

DIVIDEND

No dividends were paid, declared or proposed during the Period (six months ended 30 June 2018: Nil). The Board did not recommend any dividend payment for the Period (six months ended 30 June 2018: Nil).

PLEDGE OF ASSETS

As at 30 June 2019 and 31 December 2018, no secured borrowings were reported.

CAPITAL COMMITMENTS

As at 30 June 2019, no capital commitments were reported as the Group acquired the entire shareholding of TYEE-OCI General Partner Limited and become a wholly-owned subsidiary of the Group. (31 December 2018: HK$100 million)

CONTINGENT LIABILITIES

As at 30 June 2019 and 31 December 2018, the Directors are not aware of any material contingent liabilities.

EMPLOYEE POLICY

As at 30 June 2019, the Group employed 4 employees in the PRC and 20 employees in Hong Kong. The Group has maintained good relationship with its staff and has not experienced any major disruptions of its operations due to labour disputes. The Group contributed to the Mandatory Provident Fund Scheme of Hong Kong and provided medical benefits programme for its employees in Hong Kong. It also contributed to the retirement insurance, medicare, unemployment insurance and housing funds according to the applicable laws and regulations of the PRC for its employees in the PRC.

The Group remunerates its employees in accordance with their work performance and experience. The Board has designated the duties of determining Directors' service contracts, reviewing of Directors' and senior management's emoluments and awarding of discretionary bonuses of the Company to the remuneration committee of the Company.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Board is responsible for performing the corporate governance duties with written terms of reference. Save as disclosed below, the Company has complied with all code provisions of the Corporate Governance Code (the "Code") during the Period as set out in Appendix 14 to the Listing Rules.

Under the Code Provision A.6.7, all independent non-executive directors and non-executive directors should attend general meetings of the Company and develop a balanced understanding of shareholders' view. For the annual general meeting held on 17 May 2019, Mr. Li Yi, Mr. Chang Tat Joel and Mr. Tso Siu Lun Alan were unable to attend due to other business engagement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company. Having made specific enquiries of all directors of the Company, they all confirmed that they have complied with the required standard set out in the Model Code during the Period.

AUDIT COMMITTEE

The interim results for the Period have been reviewed by the audit committee of the Company. The audit committee currently comprises four independent non-executive directors of the Company, namely Mr. Chang Tat Joel (Chairman), Mr. Wong Stacey Martin, Mr. Tso Siu Lun Alan and Mr. Fei John Xiang.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.oci-intl.com. The 2019 interim report will also be published on the website of Stock Exchange at www.hkexnews.hk and the website of Company at www.oci-intl.com and will be despatched to the Shareholders in due course.

APPRECIATION

The Board would like to express our gratitude and sincere appreciation to all business partners, management, staff members and shareholders for their continuous support.

By order of the Board
OCI International Holdings Limited
Chen Bo
Executive Director (Chairman)

Hong Kong, 30 August 2019

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors
Mr. Chen Bo *(Chairman)*
Mr. Li Yi *(Chief Executive Officer)*
Ms. Xiao Qing *(Chief Operating Officer)*

Non-executive Directors
Mr. Du Peng
Ms. Zheng Xiaosu

Independent non-executive Directors
Mr. Chang Tat Joel
Mr. Wong Stacey Martin
Mr. Tso Siu Lun Alan
Mr. Fei John Xiang